

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

SECURITIES AND EXCHANGE COMMISSION
RECEIVED

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Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

DIVISION OF MARKET REGULATION

REPORT FOR THE PERIOD BEGINNING April 1, 2001 AND ENDING March 31, 2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Optima Securities, Inc.

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

25951 Richville Dr.

(No. and Street)

Torrance

California

90505

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Brian Yin

310 326-8848

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Elizxabeth Tractenberg, CPA

(Name — if individual, state last, first, middle name)

102680 W. Pico Blvd., Suite 260 Los Angeles, CA 90064

(Address)

(City)

(State)

PROCESSED

JUN 26 2002

THOMSON
FINANCIAL

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

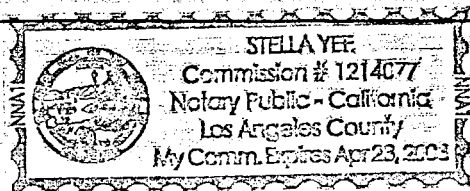
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, Brian Yin, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Optima Securities, Inc., as of March 31, 2002^{10x}, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

None



[Signature]
Notary Public

Brian Yin
Signature
President
Title

This report** contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of ~~Changes in Financial Condition~~ Cash Flows
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition ~~with respect to methods of consolidation~~
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

ANNUAL AUDIT REPORT

DATE - MARCH 31, 2002

OPTIMA SECURITIES, INC.
25951 RICKVILLE DR.
TORRANCE, CALIFORNIA 90505

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ELIZABETH CERTIFIED
TRACTENBERG PUBLIC
ACCOUNTANT

REPORT OF INDEPENDENT ACCOUNTANT


Board of Directors
Optima Securities, Inc.
Torrance, California

I have audited the accompanying statement of financial condition of Optima Securities, Inc., as of March 31, 2002 and related statements of income (loss), cash flows, and changes in shareholder's equity for the year then ended. These financial statements are being filed pursuant to Rule 17a-5 of the Securities Exchange Act of 1934 and include the supplemental schedule of the net capital computation required by rule 15c3-1. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, such financial statements referred to above present fairly, in all material respects, the financial condition of Optima Securities, Inc. as of March 31, 2002 and the results of its operations, cash flows and shareholder's equity for the year then ended in conformity with the United States generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the Supplementary Information on pages 8 to 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements but includes supplementary information required by Rule 17a-5 of the Securities Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Elizabeth Tractenberg, C.P.A.
Los Angeles, California
May 6, 2002

OPTIMA SECURITIES, INC.
STATEMENT OF FINANCIAL CONDITION
MARCH 31, 2002

ASSETS

Cash		\$	12,963
Commissions receivable			2,595
Receivable from shareholder			60,000
Investments			3,300
Office Equipment	\$	8,695	
Automobiles & trucks		62,137	
Accumulated depreciation		(19,421)	51,411
 TOTAL ASSETS			 <u>\$ 130,269</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

LIABILITIES

Accounts payable and accrued expenses	\$	2,044
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TOTAL LIABILITIES	<u>2,044</u>
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SHAREHOLDER'S EQUITY

Common stock (\$1 par value, 100,000 shares authorized and issued; 10,000 shares outstanding)	\$	10,000
Paid-in capital		129,768
Retained earnings		(11,543)
		<u>128,225</u>

TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>\$ 130,269</u>
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See Accompanying Notes to Financial Statements

OPTIMA SECURITIES, INC.
STATEMENT OF INCOME (LOSS)
FOR THE YEAR ENDED MARCH 31, 2002

REVENUES	
Commissions	\$ 46,116
Interest Income	0
Other Income	<u>434</u>
TOTAL REVENUES	<u>46,550</u>
DIRECT COSTS	
Clearing house charges	19,533
Quotes & research	<u>1,480</u>
TOTAL DIRECT COSTS	<u>21,013</u>
GROSS PROFITS	<u>25,537</u>
OPERATING EXPENSES - see page 8	<u>35,340</u>
INCOME (LOSS) BEFORE TAX PROVISION	(9,803)
INCOME TAX PROVISION	<u>800</u>
NET LOSS	<u><u>\$ (10,603)</u></u>

See Accompanying Notes to Financial Statements

OPTIMA SECURITIES, INC.
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED MARCH 31, 2002

	Common Stock Shares	Common Stock	Paid-In Capital	Retained Earnings (Deficit)	Total
Balance, March 31, 2001	10,000	\$ 10,000	\$ 129,768	\$ (940)	\$ 138,828
Capital contribution					0
Net Income (loss)				(10,603)	(10,603)
Balance, March 31, 2002	<u>10,000</u>	<u>\$ 10,000</u>	<u>\$ 129,768</u>	<u>\$ (11,543)</u>	<u>\$ 128,225</u>

See Accompanying Notes to Financial Statements

OPTIMA SECURITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2002

Cash Flows from Operating Activities:	
Net income (loss)	\$ (10,603)
Depreciation and amortization	5,862
Changes in operating assets and liabilities:	
Commissions receivable	(2,595)
Accounts payable	530
	<hr/>
Net cash provided (used) in operating activities	(6,806)
	<hr/>
Cash Flows from Investing Activities:	0
Loan to shareholder	(20,000)
	<hr/>
Cash Flows from Investing Activities	(20,000)
	<hr/>
Cash Flows from Financing Activities:	0
	<hr/>
Net increase in cash	(26,806)
	<hr/>
Cash at beginning of year	39,769
	<hr/>
Cash at end of year	<u><u>\$ 12,963</u></u>

SUPPLEMENTAL INFORMATION

Interest paid	\$ 0
	<hr/>
Income taxes paid	\$ 800
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See Accompanying Notes to Financial Statements

OPTIMA SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Optima Securities, Inc. (the Company), is a broker-dealer registered with the Securities and Exchange Commission (SEC) The Company operates pursuant to the (K) (2) (ii) exemptive provision of SEC Rule 15c3-3, which provides that all the funds and securities belonging to the Company's customers would be handled by a correspondent broker-dealer. The Company was incorporated July 22, 1992 and approved by the NASD in May of 1993. Its principal and only office is located in Torrance, California.

NOTE 2 - NET CAPITAL REQUIREMENT

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital as defined under such provisions. The computation of net capital requirements pursuant to Rule 15c3-1 appears on page 8.

NOTE 3 - USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

OPTIMA SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
MARCH 31, 2002

NOTE 4 - INCOME TAXES

The Company files the corporation income tax returns on the accrual basis of accounting. The Company has a net federal operating loss carry forward (NOL) of approximately \$2,500 which can be used through years 2010. The State income tax is a minimum requirement of \$800.

NOTE 5 - CONCENTRATION OF CREDIT RISK

The customers' securities transactions are introduced on a fully-disclosed basis with its clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers of the Company and is responsible for execution, collection and payment of funds, and receipt and delivery of securities relative to customers' transactions due to the possibility that the customers may charge any losses it incurs to the Company. The Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and to ensure that customer transactions are executed properly by the clearing broker/dealer.

OPTIMA SECURITIES, INC.
OPERATING EXPENSES
FOR THE YEAR ENDED MARCH 31, 2002

OPERATING EXPENSES

Automobile	\$	1,123
Depreciation		5,862
Entertainment		1,532
Insurance		1,833
Legal and accounting		7,125
Miscellaneous		3,764
Office supplies		2,673
Professional fees		525
Payroll and related expenses		459
Rent		7,600
Taxes and licenses		552
Telephone		<u>2,290</u>
 TOTAL EXPENSES	 \$	 <u>35,340</u>

See Accompanying Notes to Financial Statements

OPTIMA SECURITIES, INC.
COMPUTATION OF NET CAPITAL REQUIREMENTS PURSUANT
TO RULE 15c3-1
MARCH 31, 2002

COMPUTATION OF NET CAPITAL

Total ownership equity from statement of financial condition	\$ 128,225
Nonallowable assets - schedule attached	<u>114,711</u>
NET CAPITAL	<u>\$ 13,514</u>

COMPUTATION OF NET CAPITAL REQUIREMENTS

Minimum net aggregate indebtedness - 6-2/3% of net aggregate indebtedness	<u>\$ 136</u>
Minimum dollar net capital required	<u>\$ 5,000</u>
Net Capital required (greater of above amounts)	<u>\$ 5,000</u>
EXCESS CAPITAL	<u>\$ 8,514</u>

Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)	<u>\$ 13,310</u>
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COMPUTATION OF AGGREGATE INDEBTEDNESS

Total liabilities net of deferred income taxes payable and deferred income	<u>\$ 2,044</u>
Percentage of aggregate indebtedness to net capital	15%

The following is a reconciliation of the above net capital computation with the Company's corresponding unaudited computation pursuant to Rule 179-5(d)(4):

NET CAPITAL PER COMPANY'S COMPUTATION	\$ 13,678
VARIANCE -	
Increase in cash	346
Increase in accrued expenses	<u>(510)</u>
NET CAPITAL PER AUDITED REPORT	<u>\$ 13,514</u>

See Accompanying Notes to Financial Statements

OPTIMA SECURITIES, INC.
NON-ALLOWABLE ASSETS
MARCH 31, 2002

NON-ALLOWABLE ASSETS

Investments	\$ 3,300
Receivable from shareholder	60,000
Property and equipment, net of accumulated depreciation	<u>51,411</u>
	<u>\$ 114,711</u>

See Accompanying Notes to Financial Statements

PART II

OPTIMA SECURITIES, INC.

STATEMENT OF INTERNAL CONTROL

MARCH 31, 2002

ELIZABETH CERTIFIED
TRACTENBERG PUBLIC
ACCOUNTANT

**REPORT OF INDEPENDENT ACCOUNTANT
ON INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5**

To the Board of Directors
Optima Securities, Inc.

In planning and performing my audit of the financial statements of Optima Securities, Inc. (the "Company") for the year ended March 31, 2002. I have considered its internal control structure, including procedures for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements, and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, I have made a study of the practice and procedures (including tests of compliance with such practices and procedures) followed by the Company that I considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. I did not review the practices and procedures followed by the Company: (1) in making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13;(2) in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System; or (3) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

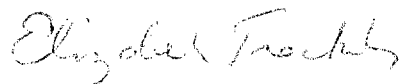
The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above mentioned objectives. Two of the objectives of an internal control structure and the practices procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practice and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the degree of compliance with them may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under the standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relationship to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving the accounting system and control procedures that I consider to be material weaknesses as defined above. In addition, the Company, was in compliance with the exemptive provisions of Rule 15c3-3 as of March 31, 2002 and no facts came to my attention indicating that such conditions had not been complied with during the year then ended.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on my study, I believe that the Company's practices and procedures were adequate at March 31, 2002 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934, and should not be used for any other purpose.



Elizabeth Tractenberg, CPA

Los Angeles, California
May 6, 2002